MULTIFAMILY

Q2 2026 Market Report: Denver-Metro

VACANCY RATE
▼ 10.3%

AVG RENTAL RATE (UNIT)
▼ $1,672

UNITS SOLD
▼ 1,424

ABSORPTION UNITS
▼ 12,062

UNDER CONSTRUCTION UNITS
▼ 12,777

MARKET CAP RATE
▲ 5.5%

Note 1: The data used in this report is from second quarter (04/01/26 - 06/30/26)
Note 2 : arrows indicate change from previous years unless otherwise specified.

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Denver-Metro Q2 Market Summary

Class	Sales Vol	Number of Sales	Units Sold	Market Sale Price/Unit	Market Cap Rate	Avg Transaction Price/Unit	Avg Transaction Cap Rate	Effective Rent/Unit
A	$137M	1	218	$372,654	5.2%	$629,817	5.4%	$1,872
B	$73.7M	11	619	$250,526	5.6%	$121,937	7.2%	$1,491
C	$60.9M	26	587	$184,594	6.1%	$139,124	6.5%	$1,240

Denver-Metro Top Sales Q2 2026

Property Information					Sale Information		
Property Name/Address	Class	Year Built	Units	Vacancy	Sale Date	Price	Price/Unit
Steele Creek 3222 E 1st St. Denver, CO	A	2015	218	6.9%	April 2026	$137,300,000	$629,816
The Harper 8680 E Alameda Ave. Denver, CO	C	1973	254	16.5%	June 2026	$30,650,000	$120,669
Civic Lofts 360 W 13th Ave. Denver, CO	B	2019	176	6.8%	June 2026	$30,000,000	$170,455

SECTOR OVERVIEW

Denver's multifamily market is in the early stages of recovery. The vacancy rate likely reached an inflection point in late 2025, peaking at about 12.2%. Vacancies have since contracted to 10.3% as new deliveries have slowed and demand has remained above pre-pandemic averages. However, Denver's recovery is expected to be a slow, steady process, and rent growth is not projected to rebound into positive territory until later this year.

The Denver multifamily market recorded 12,000 units of absorption over the past year, roughly 20% higher than the five-year pre-pandemic average. Property managers note that generous, widespread concessions are largely the reason leases are getting signed. Typically, concessions are limited to apartment communities during lease-up. With 9,300 new units added in the past year, the ongoing competition for renters is having a broad impact on demand trends across the market. Communities in high-construction areas, like Aurora and East Denver, have seen occupancies most impacted by the increased competition and have therefore employed the steepest concessions. However, even stabilized assets in low-construction areas are experiencing a pullback in demand at the property level as renters simply have more options than ever before. Roughly half of Denver's apartments are now offering some form of incentive.

Denver multifamily investment volume took a step back in the past year, stalling the recovery that began a year prior. Roughly $2.4 billion worth of apartment assets traded over the past 12 months, down from the nearly $5 billion that traded in 2024. Underwriting has grown more conservative as labor costs, property taxes, and regulatory considerations weigh on net operating income. Municipal risk in Denver has become a central concern, prompting some investors to retreat to the sidelines until more clarity arises.
Buyer demand accelerated for quality assets in prime locations. Reported cap rates for properties valued over $100 million that sold within the past year ranged from the mid-4% to the low-5% range, with properties near the urban core trading on the lower end of the spectrum, while suburban assets traded on the higher end of the spectrum.

Rents have moved by -2.0% in the past year, placing Denver in the bottom half of major markets across the country and lagging the national average of 1.0%. According to some property managers, landlords will likely continue to face difficulties in pushing rates while concessions remain widespread.
While construction activity is still elevated with 13,000 units underway, new construction starts have plummeted. The significant downshift in apartment starts indicates that the market should find relief from supply-side pressure this year, which should support stronger rent growth. Local landlords and property managers are focused on renewals, as these rates are typically higher than what could be replaced in the current competitive environment.

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